



## DEPARTMENT OF HEALTH &amp; HUMAN SERVICES

Program Support Center  
 Financial Management Service  
 Division of Cost Allocation

DCA Western Field Office  
 90 7th Street, Suite 4-600  
 San Francisco, CA 94103

Fred Klass  
 Chief Operating Officer  
 California Department of Finance  
 915 L Street  
 Sacramento, CA 95814-3706

NOV 05 2009

Dear Mr. Klass:

By letter dated September 2, 2009, your office transmitted an amendment to the pending Statewide Cost Allocation Plan (SWCAP) for fiscal year ending (FYE) June 30, 2010 to include charges for administrative costs under the American Recovery and Reinvestment Act (ARRA). These costs are recouped as allocated services under Section I of the SWCAP Agreement.

Based on our review of your amendment and the subsequent documentation provided on September 11, 2009, October 7, 2009, and October 30, 2009, approval is granted to charge the estimated ARRA administrative costs for the period beginning February 17, 2009 through June 30, 2011, in the current fiscal year ending June 30, 2010, as set forth in Attachment 1. State departments may also elect to charge the costs in each fiscal year incurred, as shown in Attachments 2-4. The amendment is approved except for the proposed carry-forward methodology (see Paragraph A, below). Upon our completion of the SWCAP review for FYE June 30, 2010, these costs will be included in the formal Agreement.

The State may charge the costs for multiple years in the current year based upon Office of Management and Budget's (OMB's) October 13, 2009 Memorandum M-10-03. However, there is a concern that there will be significant variances between the estimated costs and the actual allowable costs when the period ends on June 30, 2011. Therefore, the State agrees to include the actual ARRA administrative costs by central service for FYEs June 30, 2009, June 30, 2010, and June 30, 2011 as part of its respective SWCAP submissions. If there are material variances between the estimated and actual costs, we will determine if adjustments will be required at that time.

The allocations and billings for the services covered by this Agreement are subject to the following conditions:

**A. Carry-Forward Methodology:** The proposed carry-forward methodology was not in accordance with 2 CFR Part 225 (OMB Circular A-87), which requires that the fixed amounts be adjusted to actual costs in a future year. The allocation percentages must be adjusted to actual recorded amounts in the future submissions of FYEs June 30, 2009, June 30, 2010, and June 30, 2011.

B. Limitations: (1) Charges resulting from this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. (2) Such charges represent costs incurred by the State which are legal obligations of the State and are allowable under 2 CFR Part 225 (OMB Circular A-87). (3) The same costs that are treated as indirect costs are not claimed as direct costs. (4) Similar types of costs are accorded consistent accounting treatment. (5) The information provided by the State which was used to establish this agreement is not later found to be materially incomplete or inaccurate.

C. Accounting Changes: This Agreement is based on the accounting system purported by the state to be in effect during the agreement period. Changes to the methods of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the Cognizant Agency. Such changes include, but are not limited to, changes in the charging of cost from an allocated cost to a billed cost. Failure to obtain approval may result in cost disallowances.

D. Fixed Amounts: The fixed costs approved in the Attachments are based on an estimate of the costs for the period February 17, 2009 through June 30, 2011. When the actual costs for this period are determined, adjustments will be made to the amounts of a future year to compensate for the difference between the costs used to establish the fixed amounts and actual costs.

E. Use by Other Federal Agencies: This Agreement was executed in accordance with the authority in 2 CFR Part 225 (OMB Circular A-87), and should be applied to grants, contracts and other agreements covered by that Circular, subject to any limitations in Paragraph B above. The State may provide copies of the Agreement to other Federal Agencies to give them early notification of this Agreement.

Fred Klass  
State of California

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Please acknowledge your concurrence with the comments and conditions cited by signing this letter in the space provided below and return a copy to this office. If you have any questions, please contact Janet Turner of my staff at (415) 437-7859.

Sincerely,

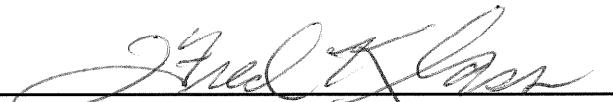


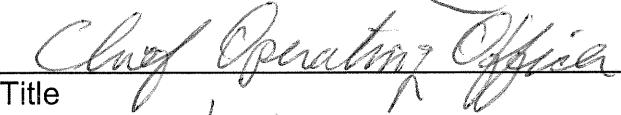
Wallace Chan  
Director

Attachments

cc: Kevin Fujitani, CA DOF

Concurrence:

  
Name

  
Title

  
Date

**STATE OF CALIFORNIA  
ARRA SUPPLEMENTAL STATEWIDE COST ALLOCATION PLAN  
SUMMARY OF FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 2010  
(BASED ON ESTIMATES FOR THE PERIOD BEGINNING FEBRUARY 17, 2009 THROUGH JUNE 30, 2011)**

Agency Number	Agency/Department Name	Total Per Agency	Office of the Chief Information Officer - Reporting	State Office - Audits	Controller's Office - Audits	State Office - Other	Controller's Recovery Task Force	Finance - Inspector General	Finance - Recovery Task Force	Finance - Inspector General	Finance - Audits	Finance - Consulting	Fiscal Sys.	Bureau of State Audits
0650	Planning and Research, Office of Emergency Management Agency, CA	133,304	1,069	0	45,064	0	0	936	986	30,180	31,442	174,387	52	100,082
0690	Tax Credit Allocation Committee, CA	636,961	34,074	67,864	0	0	0	29,843	111,053	117,004	1,096	30,180	1,656	252,630
0968	Victim Comp and Gov Claims Bd, CA	490,985	126,800	0	0	0	0	0	0	0	1,096	30,180	6,161	99,787
1870	Housing and Community Develop., Dept of Transportation, Dept of High Speed Rail Administration	33,560	1,187	0	0	0	0	8,027	8,458	192,527	445	285,280	98,753	340,707
2240	Energy Resources Conservation & Dev. Comm.	1,461,199	9,166	542,189	359,679	800,307	270,771	285,280	270,771	285,280	98,753	15,022	113,863	200,000
2660	Forestry and Fire Protection, Dept of Coastal Conservancy, State Air Resources Board	3,099,585	309,163	1,206,425	0	0	0	37,319	83,186	87,644	30,180	4,615	200,000	
2665	Water Resources Control Board, State Toxics Substances Control, Dept of Public Health, Dept of Developmental Services, Dept of Aging, Dept of Health Care Services, Dept of Education, Dept of	537,925	94,981	0	0	0	0	0	0	0	0	0	0	0
3340	Conservation Corps, CA	315,019	2,375	135,547	52,532	0	0	2,080	2,191	30,180	115	90,000	90,000	
3360	Statewide Health Planning-Develop, Office of Corrections, CA	1,663,260	37,339	765,942	507,946	0	0	32,703	34,455	30,180	1,814	260,229	260,229	
3540	33,763	1,258	0	0	0	0	0	0	0	0	0	0	0	0
3760	Aging, Dept of	365,993	3,562	135,547	89,850	0	0	3,119	3,287	30,180	173	100,275	100,275	
3900	Health Care Services, Dept of	233,887	35,464	0	0	0	0	31,060	32,724	30,180	1,723	102,737	102,737	
3940	Public Health, Dept of	526,020	950	176,230	116,833	0	0	832	876	30,180	46	200,073	200,073	
3960	Developmental Services, Dept of	231,569	475	0	0	0	0	0	0	0	0	23	200,037	
4140	Community Services and Development, Dept of Rehabilitation, Dept of Child Support Services, Dept of Social Services, Dept of Department of Corrections, CA	1,115,834	1,425	0	0	0	0	1,248	1,315	511,666	69	600,112	600,112	
4170	Education, Dept of	231,991	440,484	292,361	203,182	0	0	0	0	214,070	76,526	11,273	180,901	
4260	University, CA State	1,326,309	20,219	440,484	292,361	0	0	17,677	18,624	194,233	981	341,731	341,731	
4265	Employment Development Department	454,799	6,292	101,706	67,318	0	0	5,511	5,806	77,366	306	190,494	190,494	
4300	Industrial Relations, Dept of Arts Council, CA	370,640	128,818	440,484	292,361	0	0	30,155	31,771	318,383	1,673	522,704	522,704	
4700	Food and Agriculture, Dept of Public Utilities Commission	1,671,961	34,431	440,484	292,361	0	0	0	0	213,077	30,180	427	290,689	
5160	University of California	514,907	8,786	101,706	67,318	0	0	7,965	8,107	30,180	5,013	0	0	
5175	University, CA State	204,549	20,302	0	0	0	0	0	17,781	18,734	55,151	986	91,594	91,594
5180	Military Department	1,806,879	168,318	440,484	292,361	0	0	147,416	155,316	226,525	8,179	368,281	368,281	
5225	University, CA State	370,640	128,818	0	0	0	0	112,821	118,867	3,875	6,259	0	0	
6110	University, CA State	6,267,626	793,566	1,477,340	980,007	0	0	695,020	732,263	634,226	38,560	916,644	916,644	
6440	University, CA State	194,452	0	0	0	0	0	0	90,361	95,203	3,875	5,013	0	
6610	University, CA State	194,452	0	0	0	0	0	0	90,361	95,203	3,875	5,013	0	
7100	University, CA State	6,673,831	1,918,973	101,706	67,318	0	0	1,680,670	1,770,731	504,637	93,244	536,552	536,552	
7350	University, CA State	30,450	95	0	0	0	0	0	0	83	88	30,180	5	
8260	University, CA State	130,527	119	0	0	0	0	0	104	110	30,180	6	100,009	
8570	University, CA State	133,165	1,021	0	0	0	0	0	894	942	30,180	50	100,079	
8660	University, CA State	78,856	17,097	0	0	0	0	14,973	15,776	30,180	831	0	0	
8940	Military Department	144,020	321	67,864	45,064	0	0	281	296	30,180	16	0	0	
<b>TOTALS</b>		<b>33,025,934</b>	<b>4,012,604</b>	<b>6,642,000</b>	<b>4,406,000</b>	<b>3,695,000</b>	<b>3,893,000</b>	<b>3,619,236</b>	<b>205,000</b>	<b>6,553,093</b>				

**STATE OF CALIFORNIA  
ARRA SUPPLEMENTAL STATEWIDE COST ALLOCATION PLAN  
SUMMARY OF FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 2009  
(TO BE USED ONLY IF ALL COSTS ARE NOT CLAIMED IN FYE JUNE 30, 2010)**

Agency Number	Agency/Department Name	Total Per Agency	Office of the Chief Information Officer - Reporting	State Office - Audits	Controller's Office - Audits	State Other	Controller's Recovery Force	Finance - Task Force	Finance - Inspector General	Finance - Audits	Finance - Consulting	Fiscal Sys.	Bureau of State Audits
		Office of the Chief Information Officer - Reporting	State Office - Audits	Controller's Office - Audits	State Other	Controller's Recovery Force	Finance - Task Force	Finance - Inspector General	Finance - Audits	Finance - Consulting	Fiscal Sys.	Bureau of State Audits	
0650	Planning and Research, Office of Emergency Management Agency, CA	4,015	26	0	0	0	0	78	22	3,875	9	6	
0690	Emergency Management Agency, CA	8,349	822	0	0	0	0	2,488	687	3,875	291	187	
0968	Tax Credit Allocation Committee, CA	20,525	3,059	0	0	0	0	9,257	2,555	3,875	1,082	697	
1870	Victim Comp and Gov Claims Bd, CA	4,024	29	0	0	0	0	87	24	3,875	10	0	
2240	Housing and Community Develop., Dept of Transportation, Dept of	5,078	221	0	0	0	0	669	185	3,875	78	50	
2660	Transportation, Dept of	44,470	7,458	0	0	0	0	22,570	6,229	3,875	2,638	1,700	
2665	High Speed Rail Administration	15,824	2,291	0	0	0	0	6,934	1,914	3,875	810	0	
3340	Conservation Corps, CA	4,173	57	0	0	0	0	173	48	3,875	20	0	
3360	Energy Resources Conservation & Dev. Comm.	8,778	901	0	0	0	0	2,726	752	3,875	319	205	
3540	Forestry and Fire Protection, Dept of Coastal Conservancy, State	4,264	72	0	0	0	0	217	60	3,875	25	16	
3760	Air Resources Board	4,033	30	0	0	0	0	92	25	3,875	11	0	
3940	Water Resources Control Board, State Toxics Substances Control, Dept of	4,342	86	0	0	0	0	260	72	3,875	30	20	
3960	Statewide Health Planning-Develop, Office of Aging, Dept of	3,999	23	0	0	0	0	2,589	714	3,875	303	195	
4140	Health Care Services, Dept of	3,937	11	0	0	0	0	69	19	3,875	8	5	
4170	Public Health, Dept of	4,062	34	0	0	0	0	35	10	3,875	4	3	
4260	Developmental Services, Dept of	150,796	5,597	0	0	0	0	104	29	3,875	12	8	
4265	Community Services and Development, Dept of	6,528	490	0	0	0	0	16,936	4,674	3,875	1,980	117,735	
4300	Rehabilitation, Dept of	4,701	152	0	0	0	0	1,473	407	3,875	172	111	
4700	Child Support Services, Dept of Social Services, Dept of	8,396	831	0	0	0	0	459	127	3,875	54	35	
5160	Department of Corrections, CA	5,028	212	0	0	0	0	2,514	694	3,875	294	189	
5175	Education, Dept of	6,540	490	0	0	0	0	641	177	3,875	75	48	
5180	University, CA State	138,069	4,061	0	0	0	0	1,482	409	3,875	173	112	
5225	Employment Development Department	20,081	3,108	0	0	0	0	12,288	3,391	3,875	1,436	113,019	
6110	Industrial Relations, Dept of	213,469	19,144	0	0	0	0	140,094	2,595	3,875	1,099	0	
6440	University of California	14,366	0	0	0	0	0	57,934	15,988	3,875	6,772	109,756	
6610	Food and Agriculture, Dept of	14,366	0	0	0	0	0	7,532	2,079	3,875	880	0	
7100	Public Utilities Commission	344,289	46,294	0	0	0	0	7,532	2,079	3,875	880	0	
7350	Military Department	3,887	2	0	0	0	0	75	21	3,875	1	0	
8260	Arts Council, CA	3,890	3	0	0	0	0	75	2	3,875	1	1	
8570	Food and Agriculture, Dept of	4,009	25	0	0	0	0	1,248	344	3,875	9	6	
8660	Military Department	6,026	412	0	0	0	0	23	6	3,875	146	0	
8940	TOTALS	3,915	8	0	0	0	0	0	0	3,875	3	0	
		1,096,759	96,804	0	0	0	0	308,000	85,000	127,862	36,000	443,093	

**STATE OF CALIFORNIA**  
**ARRA SUPPLEMENTAL STATEWIDE COST ALLOCATION PLAN**  
**SUMMARY OF FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 2010**  
**(TO BE USED ONLY IF ALL COSTS ARE NOT CLAIMED IN FYE JUNE 30, 2010)**

Agency Number	Agency/Department Name	Office of the Chief Information Officer - Reporting		State Controller's Office - Audits		State Controller's Office - Other		Finance - Recovery Force		Finance - Task Force		Finance - Inspector General		Finance - Audits		Finance - Consulting		Bureau of State Audits	
		Total Per Agency	Per Agency	Information Officer - Reporting	Controller's Office - Audits	Controller's Office - Other	Recovery Force	Task Force	Inspector General	Audits	Fiscal Sys.	Consulting	Fiscal Sys.	Consulting	Audits	Consulting	Fiscal Sys.	Consulting	Audits
0650 Planning and Research, Office of Emergency Management Agency, CA	127,904	746	0	23,791	29,845	0	18,717	0	421	405	26,305	27	100,000						
0690 Tax Credit Allocation Committee, CA	384,458	88,532	0	88,532	0	0	0	49,951	48,058	26,305	3,156	848	208,000						
0968 Victim Comp and Gov Claims Bd, CA	306,002	829	0	829	0	0	0	468	450	26,305	30	0	90,000						
1870 Housing and Community Develop., Dept of	28,081	6,399	0	238,443	149,390	332,402	330,558	3,611	3,474	98,819	228	298,000							
2240 Transportation, Dept of	798,364	215,858	0	530,558	66,316	0	37,319	121,792	117,175	48,205	7,694	90,000							
2660 High Speed Rail Administration	1,463,685	345,719	0	1,658	59,611	0	37,417	935	935	26,305	2,364	140,000							
3340 Conservation Corps, CA	179,468	24,761	0	26,070	336,844	0	0	14,709	14,152	26,305	59	90,000							
3360 Energy Resources Conservation & Dev. Comm.	837,981	0	0	0	0	0	0	1,169	1,125	26,305	929	208,000							
3540 Forestry and Fire Protection, Dept of	248,745	2,072	0	0	0	0	0	0	0	26,305	74	218,000							
3760 Coastal Conservancy, State	28,188	879	0	0	0	0	0	496	477	26,305	31	0							
3900 Air Resources Board	228,563	2,487	0	59,611	37,319	0	0	1,403	1,350	26,305	89	100,000							
3940 Water Resources Control Board, State	119,360	0	0	0	0	0	0	13,971	13,441	26,305	883	40,000							
3960 Toxics Substances Control, Dept of	293,753	663	0	77,502	48,526	0	0	374	360	26,305	24	140,000							
4140 Statewide Health Planning-Develop, Office of	167,016	332	0	0	0	0	0	187	180	26,305	12	140,000							
4170 Aging, Dept of	550,640	995	0	0	0	0	0	561	540	128,507	35	420,002							
4260 Health Care Services, Dept of	746,377	161,976	0	193,715	121,430	0	0	91,391	87,926	37,629	5,774	46,536							
4265 Public Health, Dept of	742,374	14,092	0	193,715	121,430	0	0	7,951	7,650	98,861	502	298,173							
4300 Developmental Services, Dept of	344,651	4,393	0	44,728	44,728	0	0	27,960	2,479	2,385	72,541	157	190,008						
4700 Community Services and Development, Dept of	935,111	24,040	0	193,715	121,430	0	0	13,564	13,049	132,411	857	436,046							
5160 Rehabilitation, Dept of	402,148	6,134	0	44,728	44,728	0	0	27,960	3,461	3,330	26,305	219	290,011						
5175 Child Support Services, Dept of	168,612	14,175	0	0	0	0	0	7,998	7,695	48,212	505	90,027							
5180 Social Services, Dept of	821,034	117,520	0	193,715	121,430	0	0	66,307	63,794	70,883	4,189	183,196							
5225 Department of Corrections, CA	192,716	89,941	0	0	0	0	0	50,747	48,823	3,206	0								
6110 Education, Dept of	3,001,331	554,069	0	649,700	407,039	0	0	312,618	300,768	169,387	19,750	588,000							
6440 University, CA State	82,315	0	0	0	0	0	0	40,644	39,103	2,568	0								
7100 Employment Development Department	3,268,248	1,339,829	0	44,728	27,960	0	0	755,961	727,305	84,706	47,759	240,000							
7350 Industrial Relations, Dept of	26,447	66	0	0	0	0	0	37	36	26,305	2	0							
8260 Arts Council, CA	66,483	83	0	0	0	0	0	47	45	26,305	3	40,000							
8570 Food and Agriculture, Dept of	67,832	713	0	0	0	0	0	402	387	26,305	25	40,000							
8660 Public Utilities Commission	51,882	11,937	0	0	0	0	0	6,735	6,480	26,305	425	0							
8940 Military Department	75,347	224	0	29,845	18,717	0	0	126	121	26,305	8	0							
<b>TOTALS</b>	<b>17,183,150</b>	<b>2,801,580</b>	<b>2,921,000</b>	<b>1,830,000</b>	<b>1,662,000</b>	<b>1,599,000</b>	<b>1,540,570</b>	<b>105,000</b>	<b>4,724,000</b>										

**STATE OF CALIFORNIA**  
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**SUMMARY OF FIXED COSTS FOR FISCAL YEAR ENDING JUNE 30, 2011**  
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Agency Number	Agency/Department Name	Total Per Agency	Office of the Chief Information Officer - Reporting	State Office - Audits	Controller's Office - Other	State Controller's Office - Other	Finance - Recovery Force	Finance - Task Force	Finance - Inspector General	Finance - General	Finance - Audits	Bureau of State Audits
		Office of the Chief Information Officer - Reporting	State Office - Audits	Controller's Office - Other	Recovery Force	Task Force	Inspector General	General	Audits	Fiscal Sys.	Consulting	State Audits
0650	Planning and Research, Office of Emergency Management Agency, CA	1,386	297	0	0	0	437	559	0	16	77	
0690	Tax Credit Allocation Committee, CA	244,154	9,462	38,019	26,347	13,932	17,841	93,594	517	44,443		
0968	Victim Comp and Gov Claims Bd, CA	16,459	35,209	0	0	51,845	66,392	0	1,924	9,090		
1870	Housing and Community Develop., Dept of Transportation, Dept of	1,455	330	0	0	485	622	0	18	0		
2240	High Speed Rail Administration	657,757	2,545	303,747	210,289	3,748	4,799	89,833	139	42,657		
2660	Energy Resources Conservation & Dev. Comm.	1,591,429	85,847	675,867	467,905	126,408	161,876	46,673	4,690	22,163		
2665	Forestry and Fire Protection, Dept of Coastal Conservancy, State	176,381	26,374	0	0	38,835	49,732	0	1,441	60,000		
3340	Air Resources Board	131,378	659	75,937	52,532	971	1,243	0	0	36	0	
3360	Toxics Substances Control, Dept of Statewide Health Planning-Develop, Office of Aging, Dept of	816,501	10,368	429,098	296,974	15,267	19,551	0	566	44,677		
3540	Health Care Services, Dept of	45,850	824	0	0	1,214	1,554	0	45	42,213		
3760	Education, Dept of	1,542	349	0	0	515	659	0	19	0		
3900	University, CA State	133,088	989	75,937	52,532	1,456	1,865	0	54	255		
3940	University Relations, Dept of	105,996	9,847	0	0	14,500	18,569	0	538	62,542		
3960	Arts Council, CA	228,267	264	98,728	68,307	388	497	0	14	60,068		
4140	University of California	60,616	132	0	0	194	249	0	7	60,034		
4170	University, CA State	561,133	396	0	0	583	746	379,285	22	180,102		
4260	University of California, Dept of	753,615	64,418	246,769	170,931	94,855	121,469	35,023	3,519	16,630		
4265	University of California, Dept of	577,408	5,637	246,769	170,931	8,252	10,568	91,497	306	43,447		
4300	University of California, Dept of	105,447	1,747	56,978	39,358	2,573	3,295	950	95	451		
4700	University of California, Dept of	728,454	9,560	246,769	170,931	14,078	18,028	182,097	522	86,468		
5160	University of California, Dept of	107,731	2,440	56,978	39,358	3,592	4,600	0	133	630		
5175	University of California, Dept of	29,397	5,637	0	0	8,301	10,630	3,065	308	1,455		
5180	University of California, Dept of	847,775	46,738	246,769	170,931	68,821	88,130	151,67	2,553	72,066		
5225	University of California, Dept of	157,842	35,769	0	0	52,670	67,448	0	1,954	0		
6110	University of California, Dept of	3,052,826	220,353	827,640	572,968	324,468	415,507	460,964	12,038	218,887		
6440	University, CA State	97,771	0	0	0	42,185	54,021	0	1,565	0		
6610	University Development Department	3,061,295	532,849	56,978	39,358	784,616	1,004,763	416,056	29,110	197,563		
7100	Industrial Relations, Dept of	116	26	0	0	39	50	0	1	0		
7350	Arts Council, CA	60,154	33	0	0	49	62	0	2	60,009		
8260	Food and Agriculture, Dept of	61,324	284	0	0	417	535	0	15	60,073		
8660	Public Utilities Commission	20,949	4,747	0	0	6,990	8,952	0	259	0		
8940	Military Department	64,759	89	38,019	26,347	131	168	0	5	0		
<b>TOTALS</b>		<b>14,746,024</b>	<b>1,114,220</b>	<b>3,721,000</b>	<b>2,576,000</b>	<b>1,725,000</b>	<b>2,209,000</b>	<b>1,950,804</b>	<b>64,000</b>	<b>1,386,000</b>		